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ON PAGE A-20

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President Voices 'Confidence' In Casey Despite Accusations

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WASHINGTON, July 13 — President Reagan today expressed "continuing confidence" in William J. Casey, the Director of Central Intelligence, despite two separate accusations of stock fraud that resulted in a court ruling against Mr. Casey and the resignation of his top deputy.

A senior White House official said Mr. Reagan talked with Mr. Casey, his former campaign director, this morning. The President's expression of support came after he listened to Mr. Casey's account of the court case and the circumstances that led yesterday to the resignation of Max C. Hugel, another Reagan campaign official who served as the Deputy Director of Operations in the intelligence agency.

Mr. Reagan also later expressed amazement to another aide that the press was interested in the "old news" that Mr. Casey was being sued in New York on charges of having misled investors in an agricultural firm, Multiponics Inc.

Say President Was Not Briefed

But Mr. Reagan's advisers insisted that until the present controversies arose, Mr. Reagan had not been briefed about the charges against Mr. Casey. The 68-year-old Director of Central Intelligence had noted that he was a defendant in a stock suit in the disclosure forms he filled out before his appointment and the matter was reviewed by Fred Fielding, the White House counsel, according to Larry Speakes, the deputy White House press secretary.

However, "it would not have been routine for Fielding to have brought this to the President's attention and he did not," another adviser said. Since the suit is a civil matter, he said, "it would not have been a bar to appointment."

The Reagan adviser, who asked not to be identified by name, also said that no one faulted Mr. Casey for not informing the White House that the Federal District Court in Manhattan ruled against him and his co-defendants almost two months ago, on May 19.

Judge Charles E. Stewart Jr. held that Mr. Casey, as secretary and a main investor in Multiponics, participated in an investment offering that "omitted and misrepresented facts" to investors. Mr. Casey's lawyers have asked for a reargument of that portion of the case. Mr. Speakes noted today that the question of the suit came up in 1973, when Mr. Casey was confirmed as Under Secretary of State for Economic Affairs and again when he was confirmed in his present job. "They are part of what we knew when Mr. Casey was appointed C.I.A. director," Mr. Speakes said of the legal matters.

Reagan Asks Why It Is News

"Why are they bringing that up now?" Mr. Reagan was quoted as asking this morning when informed of the questions about Mr. Casey. "That's old news."

As they expressed confidence in Mr. Casey, however, White House officials made no attempt to hide their relief over Mr. Hugel's speedy resignation from a job that many Administration officials thought him ill-suited for.

"We've never made any bones about that," one official said today.

Mr. Hugel resigned after publication of accusations by former business associates that he participated in fraudulent securities transactions in the 1970's. White House spokesmen insisted the resignation was voluntary, but it came quickly after Mr. Casey was told yesterday that the matter needed to be settled before Mr. Reagan's visit to Capitol Hill for a lunch with Congressional leaders.

Mr. Hugel, a former electronics company executive, had no experience to qualify him for a job normally held by professionals in covert operations. But Reagan aides tolerated the appointment

because he was a friend of Mr. Casey's. "He's intolerable any place in the Government," a senior official said of Mr. Casey's hiring of Mr. Hugel without White House approval. "It was a silly thing to do."

However, even officials who welcomed the Hugel resignation were united today in saying neither that appointment nor the court ruling had hurt Mr. Casey's standing at the White House.